



# **MASSACHUSETTS WATER POLLUTION ABATEMENT TRUST**

*Steven Grossman, Chair*

**Department Title:** The Trust

**Effective Date:** March 6, 2013

**Supersedes:** Investment Policy adopted December 14, 2011

**Issuing Authority:** The Trust

**Responsible Officer:** Executive Director

**Department Policy Training Officer:** Executive Director

**Policy Title:** Investment Policy

**Policy:** It is the policy of the Trust to invest its funds in accordance with prudent investment objectives consistent with the purposes of the Trust and in accordance with the authority under which it holds and invests its funds. Under section 4(b) of chapter 29C of the Massachusetts General Laws, the Trust may invest its funds in such investments as may be legal investments for the Commonwealth or any fiduciary in the Commonwealth, but subject to the requirements of (1) the Trust's Enabling Act, (2) applicable provisions of any loan agreement or trust agreement of the Trust, including the Program Resolution and any Bond Resolution, and (3) federal law requirements with respect to federal capitalization grants. This statutory provision essentially authorizes the Trust to invest its funds in accordance with the "prudent investor" rule articulated over the years by the Massachusetts Supreme Judicial Court and codified in the Massachusetts Prudent Investor Act (chapter 203C of the Massachusetts General Laws). Legal investments of the Commonwealth are listed in chapter 29, § 38 of the Massachusetts General Laws.

**Purpose:** The purpose of this Investment Policy is to state general guidelines to be used by the Trust, and the Trust's advisors and investment providers, for the investment or deposit of moneys held by the Trust and to identify the officers of the Trust to whom are delegated the implementation of this Investment Policy by means of the related Procedures, which are attached hereto.

**Scope:** This Policy applies to the Trust

**Procedures for Implementation:** This Policy shall be implemented in accordance with the attached Procedures document, under the direction of the Executive Director of the Trust, to whom the Board hereby delegates authority to manage the investment program of the Trust, including the investment of all funds, the amendment of any investment agreements, and the termination of any investments and the re-investment of received funds from such terminations.

**Definitions:**

“Board” means the Board of Trustee of the Trust established by Chapter 29C, Section 2 of the Massachusetts General Laws.

“Enabling Act” means Chapter 275 of the Acts of 1989, constituting, in part, Chapter 29C of the General Laws of the Commonwealth of Massachusetts and Chapter 203 of the Acts of 1992 and Chapter 78 of the Acts of 1998, as amended, or as they may be amended from time to time.

“Finance and Governance Board” means that board in the Executive Office of Administration and Finance under the Governor of the Commonwealth of Massachusetts, formerly known as the Finance Advisory Board, established by Chapter 6, Section 97 for the purpose of promoting transparency, public accountability and adherence to best practices by all state entities with respect to proper governance of state entities and investments, borrowing or other financial transactions made or entered into by state entities and involving public funds, including tax supported debt, and the board to which the Investment Policy, together with the Procedures, shall be submitted by March 31 of each odd-number year, pursuant to regulations at 976 CMR 203.

“Procedures” means the Investment Procedures of the Trust (originally called the “Investment Policy” that was adopted and approved by the Board on December 14, 2011), attached to this Investment Policy as Exhibit A.

“Program Resolution” means that resolution entitled “Amended and Restated Resolution Authorizing and Establishing a Water Pollution Abatement and Drinking Water Project Financing Program” adopted by the Trust on March 4, 1993, as amended, and as it may be amended from time to time, as further defined and described in the attached Procedures.

“Trust” means the Water Pollution Abatement Trust established by the Enabling Act and constituting a public instrumentality of the Commonwealth of Massachusetts responsible for administering the Water Pollution Abatement Revolving Fund, established by Chapter 29, Section 2L, the Drinking Water Revolving Fund, established by Chapter 29, Section 2QQ, and the Water Pollution Abatement and Drinking Water Projects Administration Fund, established by Chapter 29, Section 2W.

**References and Related Documents:** The Enabling Act; the Program Resolution; Regulations 976 CMR 203; and the Procedures.